

Long Term Disability PROPOSAL

Prepared For:

City of Fort Lauderdale

Requested By:

RHODES INSURANCE GROUP

Proposed Effective Date:

January 1, 2019

Underwritten By:

Life Insurance Company of North America

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**City of Fort Lauderdale
Long Term Disability Proposal
Schedule of Benefits Summary**

Eligibility	All active, Full-Time Employees of the Employer covered under the 401(a) who are citizens or permanent resident aliens of the United States., regularly working a minimum of 40 hours per week.,
Number of Eligible Employees	756
Monthly Benefit	60% to \$15,000
Benefit Waiting Period	180 days
Definition of Disability	24 Months Own Occupation
Definition of Covered Earnings	Employee's annual wage or salary excluding bonuses, commissions, overtime pay, and extra compensation.
Eligibility Waiting Period	First of month after 60 days
Earnings Test	80/60 AND
Plan Type*	Non-Contributory

Benefits below apply to the following classes: 1	
Accumulated Sick Leave	Not Included in Benefit Waiting Period
Minimum Benefit	Greater of \$100 or 10% of benefit
Maximum Benefit Duration	Social Security Normal Retirement Age (SSNRA)
Benefit Reduction Schedule	Traditional graded scale to 65
Social Security Integration Type	Primary SS
Other Sources of Income	See Disability Contract Features
Employer Contribution	100%
Survivors Benefits	3 months lump sum
Continuation of Insurance	Family Medical Leave (12 weeks) Family Medical Military Leave (12 weeks) Leave of Absence (3 months) Temporary Layoff (3 months)
Pre-Existing Condition Limitation	3 months Prior/12 months Insured
Mental Illness Limitation	24 Month Lifetime Limitation
Substance Abuse Limitation	24 Month Lifetime Limitation
Chemical Sensitivity	No Limitation
Subjective Symptom Limitation	No Limitation
Return to Work Incentive	Included
Trial Work Days	Unlimited
Rehabilitation Benefits	Included
Health and Welfare Deductions Service	Excluded
Life Assistance Program	Not Included

For additional descriptions, see Key Definitions and Provisions section below.

LONG TERM DISABILITY RATE SUMMARY

Coverage	Monthly Covered Payroll	Monthly Rate per \$100 of Monthly Covered Payroll	Monthly Premium
LTD	3,416,738	\$0.270	\$9,225

Rates are guaranteed for 3 years.

Rates are only valid if the product is sold as part of this package

***This proposal assumes all eligible persons are insured and that premiums are paid on a pre-tax basis.**

LONG TERM DISABILITY COMMISSION SUMMARY

Rates are Net of Commission

Included Cigna Programs and Services*

- **Identity Theft** - provides identity theft prevention and resolution services, including access to personal case managers who provide assistance and guidance as well as education and tools to help prevent identity theft in the future.
- **CignaWillCenter.com** - online access to state-specific legal documentation for wills and powers of attorney, and valuable resources for estate and funeral planning.
- **Healthy Rewards®** - provides discounts on a variety of health and wellness products and services.
- **My Secure Advantage™** - offers customers with approved disability claims (and their household members) access to expert “money coaching” for all types of financial challenges.

*These programs are NOT insurance and do not provide reimbursement for financial losses. Program availability may vary by plan type and location and is subject to change. Employees are required to pay the entire discounted charge for any discounted products or services available through these programs. Programs are provided through third party vendors who are solely responsible for their products and services. Presented here are only the highlights of these programs. Full terms, conditions and exclusions are contained in the applicable client program description and/or vendor service agreement.

Quality Service and Simplified Administration

- **Dedicated Account Managers** to oversee plan design effectiveness; provide ongoing consultative analysis and make recommendations to optimize productivity/minimize costs.
- **Dedicated Implementation Coordinators** to help ensure easy plan setup, answer questions, resolve issues and drive employee awareness and education through marketing and communications.
- **Dedicated Clinical and Expert Resources** which includes over 800 disability claim managers in four offices, 80 medical professionals, 9 medical directors, 35 vocational professionals, 65+ intake specialists and access to over 1,100 nurses and 500 doctors representing over 40 clinical specialties.
- **Comprehensive Reporting and Online Tools** to help make informed decisions and manage costs.
- **Verbal Authorization and Telephonic Intake** - Employees calling to report a disability claim can provide authorization to access medical information using a secure, confidential interactive voice response system, which allows for faster disability claim processing.
- **Pre-disability Vocational Services** - help employees with physical/psychological limitations that are at increased risk of a disability get the support they need to stay productive and on the job.
- **Social Security Advocacy** - program offers expert resources to help qualified employees apply and be approved for Social Security Disability Insurance.
- **Cigna's “Work Wellness” Website** <http://www.cigna.com/workwellness> is an online resource for customers which includes useful information on disability and return to work, general information on family medical leave, managing their particular health condition at work and more.
- **Cigna's Life Assistance & Work/Life Support Program** provides 3 face to face visits to counselors to address emotional issues, as well as online resources and interactive tools.

Disability Contract Features

- **Return to Work Incentive Benefit**
For the first 24 months of the benefits payable - allows an individual through a combination of work earnings and disability benefit, the potential to obtain 100% of pre-disability income.
- **Use of Trial Work Days**
Cigna offers an unlimited Number of days an employee can attempt to return to work without extending the elimination period.
- **Rehabilitation Program**
Rehabilitation expenses (which can include expenses for medical, education, moving, family care or other) are paid for at Cigna's discretion. No rehabilitation expense cap exists in our contract.
- **FICA Services**
Cigna offers three level of service for Employer Paid business - Self-report and pay, FICA reimbursement and FICA match - to accommodate the specific needs of our disability clients.
- **Integration With Other Income Sources Benefits are Reduced by Amounts Paid by the Following:**
 - Social Security with other government retirement and disability programs
 - Sick leave or salary continuance paid by the Employer
 - Mandatory “no fault” auto wage loss
 - Employer-funded retirement benefits (excludes 401(k) and supplemental plans)
 - Franchise or group disability plans
 - Worker's compensation

- Damages for wage loss payable by third parties
 - Income from employment (subject to return to work incentive)
- (Government and worker's compensation subject to assumed receipt)

• **Maximum Benefit Period**

This is the maximum length of time for which we will pay Disability Benefits to a disabled employee. Benefit payments may end earlier if the employee no longer qualifies under the terms or conditions of this policy.

Age at Start of Disability

age 62 or younger
age 63
age 64
age 65
age 66
age 67
age 68
age 69 or older

Maximum Benefit Duration

the employee's 65th birthday or the 42nd monthly disability benefit
the 36th monthly disability benefit
the 30th monthly disability benefit
the 24th monthly disability benefit
the 21st monthly disability benefit
the 18th monthly disability benefit
the 15th monthly disability benefit
the 12th monthly disability benefit

PROPOSAL PROVISIONS

• **This is not a contract...**

This proposal outlines some of the important features of the proposed group insurance program. The controlling provisions will be in the group insurance policy, and this proposal is not intended in any way to modify the provisions or their meanings.

If you decide to purchase the plan proposed here, we will send you a policy that fully describes all of the provisions of the group disability insurance coverage to which you and Life Insurance Company of North America (Cigna) have agreed.

To accept the terms of this proposal, you must notify Cigna of your acceptance by that date, and pay premium equal to the Total Basic Estimated Monthly Cost on the Schedule of Benefits Summary. This proposal may be withdrawn by Cigna at any time before acceptance.

• **Eligibility**

Cigna's eligibility requirements assume that employees are working on a full-time basis, and citizens of the United States, and working in the United States. Part-time, seasonal, temporary, contracted, leased or severed employees are not eligible, unless otherwise noted.

• **Policy on Rate Changes**

The rates and fees quoted within the proposal are based on information furnished to Cigna for the purpose of developing a proposal of group insurance. Cigna has assumed that the demographic and plan design information provided will be an accurate representation of your company at the time of implementation. Premium rates are guaranteed as noted in the product schedule of benefits. These rates and the guarantee assume that the number of eligible or insured employees does not change by more than 15% from the date of the census provided.

• **Policy on Contractual Language**

Cigna's contract language will be used without modification. Cigna will attempt to match the intent of disclosed policy provisions at the time of quote, but will not duplicate the existing policy language.

• **Medical Underwriting Status**

Medical Underwriting Activity Status Reports are sent to the location(s) designated by the employer and are typically distributed on a monthly basis. If online Medical Evidence of Insurability is quoted, Medical Underwriting Activity Reports (reporting status of medically underwritten coverage) are sent electronically to the employer and are typically distributed on a weekly basis.

• **Producer Compensation**

Cigna may have entered into, or may enter into, agreements with brokers, under which the insurance company compensates brokers for providing marketplace intelligence and other services intended to enhance the effectiveness of the insurance company's business. Cigna may also invite brokers to participate in events sponsored by the insurance company for the same purposes.

Any compensation paid may be based on meeting targets for new business production and persistency, and, if paid, is funded from the insurance company's overhead and is based on the broker's overall book of business with the insurance company. Any such payments are separate from commissions and, if applicable, will be included in ERISA

